



NATIONAL ACTIVE AND RETIRED FEDERAL EMPLOYEES

MARYLAND FEDERATION

**Statement of Paul Schwartz, Region Vice President, National Active
and Retired Federal Employees - NARFE
House Bill 745
House Wayd & Means Committee
February 19, 2026
Senior Income Tax Credit - Refundability**

I am Paul Schwartz, Region Vice President of the National Active & Retired Federal Employees – NARFE.

I testify today in support of HB 745

As you all are abundantly aware, Maryland once again faced a budget shortfall.

According to our Comptroller, Brooke Lierman, a significant portion of the decline in revenue can be attributed to a decline in population.

A significant contributing factor to that decline is retirees moving to more tax-friendly states such as Delaware and Pennsylvania and taking their tax money including income tax, sales tax, property tax, fuel tax and, as well, spending power, with them.

HB 745 helps, to some extent, to make Maryland just a little bit more affordable for seniors to stay in Maryland and stem the tide of migration out of our state.

Combine senior migration with Maryland losing some 15,000 federal jobs as a result of the assault on the federal workforce by the Trump administration and its associated impact on Maryland tax revenue – people without jobs don't pay taxes – keeping retirees in Maryland becomes even more urgent.

During the last gubernatorial election year in Maryland, we were able to get passed the Retirement Tax Elimination Act of 2022 which was a major step in the right direction by giving a tax credit to seniors (of some \$1000 for seniors over age 65 filing single with an adjusted gross income under \$100,000 and \$1750 for seniors over 65 filing jointly with an adjusted gross income over \$150,000.)

This bill builds on that bill by providing for a refund of the difference between the tax credit and the tax liability so that all eligible seniors can get the full benefit of that 2022 tax relief bill.

Accordingly, we fully support passage of HB 745 and we should not be limited by the short-term impact on revenue per the fiscal note which always fails to factor in the impact to our economy by the exodus of our retirees in the long term.